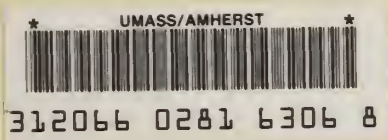


MASS. MA3052 : M381/3 / 984



GOVERNMENT DOCUMENTS
COLLECTION
#1241
University of Massachusetts
Amherst

Massachusetts Business Incentives



Massachusetts Department Of Commerce

Ronald M. Ansin, Commissioner
100 Cambridge Street, Boston, MA 02202 Tel: (617) 727-3218

REGIONAL OFFICES

Region I —

Massachusetts Bldg., Avenue of States, West Springfield, MA 01089. Tel: (413) 739-5600

Region II —

DES Bldg., 51 Myrtle Street, Worcester, MA 01608. Tel: (617) 757-2075

Region III —

450 Aiken Street, Lowell, MA 01854. Tel: (617) 454-0303

Region IV —

Saltonstall Bldg., 100 Cambridge Street, Boston, MA 02202. Tel: (617) 727-3206

Region V —

21 Spring St., Taunton, MA 02780. (617) 823-4858



Financing Programs





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MASSACHUSETTS INDUSTRIAL FINANCE AGENCY (MIFA)

Q. What is the Massachusetts Industrial Finance Agency (MIFA)?

A. MIFA is an independent public agency designed to promote employment growth through incentives that stimulate business investment in Massachusetts. MIFA's incentives for industrial companies include industrial revenue bonds, loan guarantees, and pollution control bonds.

MIFA financing is available for commercial real estate if these projects are located in locally identified Commercial Area Revitalization Districts (CARD). CARDS are situated primarily in older downtown areas.

In its first five years, MIFA approved over \$2.3 billion in lower interest rate industrial revenue bond financing for 1,424 industrial expansions and downtown revitalization projects across the state. MIFA-assisted companies will add an estimated 57,000 new, industrial sector jobs across the state.

**See fact sheets on Industrial Revenue Bonds and Loan Guarantees.*

For further information on MIFA, contact:

Charles F. Kireker, Executive Director
Massachusetts Industrial Finance Agency
125 Pearl Street
Boston, Massachusetts 02110
(617) 451-2477

INDUSTRIAL REVENUE BONDS

Q. What is an industrial revenue bond?

A. An industrial revenue bond is a low interest, tax-exempt bond issued through a state agency or a municipality on behalf of private enterprises. It is used to finance industrial expansion projects such as plant and equipment loans. What the bond effectively does is lower the rate of interest on a capital expenditure loan to about three-fourths of the prime lending rate (this varies from case to case). The credit behind this bond is that of the company, and not that of the issuing authority, the state, or the municipality.

Q. Are revenue bonds available for commercial enterprises?

A. Yes, but only in designated Commercial Area Revitalization Districts (CARDs). A CARD is set up by a community (with the approval of the state) in order to bring about the revitalization of central business districts and neighborhood commercial centers. Once an area is so designated, commercial enterprises located within it become eligible to seek revenue bond financing.

Q. Can a revenue bond be used with the Loan Guaranty Program?

A. Yes.

Q. Who issues the bonds?

A. The bonds are issued either by a local Industrial Development Finance Authority (IDFA) in a particular municipality with MIFA's approval, or, in communities without IDFA's, by MIFA itself. A company may deal directly with MIFA if it prefers to do so.

Q. Is it economically feasible for small companies to use these bonds?

A. Yes. In fact, the program is designed to help smaller manufacturing firms. Nearly half of the companies assisted by MIFA since 1978 had sales under \$5 million. MIFA's staff is ready to assist in every step of the process.

*See the fact sheet on Loan Guarantees

For further information on revenue bonds contact:

Massachusetts Industrial Finance Agency
125 Pearl Street
Boston, Massachusetts 02110
(617) 451-2477

MIFA LOAN GUARANTEES

Q. What types of loan guarantee programs does MIFA offer?

A. MIFA offers two programs, the recently introduced Guaranteed Loan Program, and mortgage insurance.

Q. Why was the Guaranteed Loan Program created and how does it work?

A. The Guaranteed Loan Program is designed to offer smaller, growing companies access to the public credit market where advantageous fixed interest rate, long term loans are still available. MIFA will pool several industrial revenue bond projects and then issue a 100 percent guarantee for each bond, and a major insurance company will reinsure a substantial portion of MIFA's guarantee. The bonds will then be sold to institutional and individual investors nationally.

Q. What advantages does the Guaranteed Loan Program offer expanding companies?

A.

1. Inflation protection through a fixed interest rate.
2. Maturities of up to 20 years.
3. A wide range of eligible projects.

Q. Are there specific eligibility guidelines for the Guaranteed Loan Program?

A. Yes. Contact MIFA to determine if your project meets the specific eligibility guidelines.

Q. What advantages does mortgage insurance offer?

A. MIFA's mortgage insurance provides additional security for lenders by reducing their net exposure while increasing loan amounts to their customers.

With MIFA's mortgage insurance, a company can borrow more of a project's cost, conserving cash for working capital as it expands its investments in productive assets.

Q. What types of firms would benefit from mortgage insurance?

A. Mortgage insurance can be of greatest benefit to older, traditional industries wishing to modernize, and to local subsidiaries of national corporations in the process of being divested to new management. It can also help firms with good growth potential, particularly younger or smaller firms, that are having difficulty obtaining loans to finance plant and equipment purchases.

Mortgage insurance can be used for conventional loans as well as tax-exempt loans.

For further information on the Guaranteed Loan Program and on mortgage insurance, contact:

Massachusetts Industrial Finance Agency
125 Pearl Street
Boston, Massachusetts 02110
(617) 451-2477

MASSACHUSETTS TECHNOLOGY DEVELOPMENT CORPORATION (MTDC)

Q. What is the Massachusetts Technology Development Corporation?

A. The Massachusetts Technology Development Corporation (MTDC) is a publicly-funded but independently-operated venture capital organization.

Q. What is the purpose of MTDC?

A. The purpose of MTDC is to provide capital to new and expanding high technology companies which have the capacity to generate significant employment growth in Massachusetts as well as other public benefits.

Q. What types of investments does MTDC make?

A. MTDC makes both debt and equity investments, usually in the form of a direct purchase of common or preferred stock accompanied by a loan on very favorable terms. All MTDC investments are made as part of a joint venture with conventional private sector investors. MTDC provides "investment packaging" assistance by helping companies to locate compatible private sector investors for such joint ventures.

Q. How much capital will MTDC invest in a company?

A. MTDC will invest a minimum of \$100,000 and a maximum of \$250,000 in a first-round institutional financing. Generally, the private sector investors who are MTDC's partners will invest two to four times the amount of capital which MTDC provides.

Q. How does a business apply for financing from MTDC?

A. Simply by submitting a business plan with a brief cover letter indicating how much capital the company would like MTDC to invest.

For further information on the Massachusetts Technology Development Corporation, contact Marie B. Phaneuf, Public Information Officer:

John F. Hodgman, President
MTDC
84 State Street, Suite 500
Boston, Massachusetts 02109
(617) 723-4920

MASSACHUSETTS CAPITAL RESOURCE COMPANY (MCRC)

Q. What is MCRC?

A. Massachusetts Capital Resource Company is a limited partnership. It is privately owned and funded by nine Massachusetts-based life insurance companies.

Q. What does MCRC do?

A. MCRC supports the maintenance and growth of Massachusetts business by investing in both traditional and technology-based industries, high risk start-up companies, expanding businesses, management buyouts, and turn-around situations. MCRC structures its investments to fit the specific needs of its portfolio companies and to increase employment opportunities within the Commonwealth.

1. MCRC is a major source of funding for traditional Massachusetts manufacturing companies seeking fixed-rate, long-term senior or subordinated debt to finance growth.

2. MCRC assists established and rapidly growing technology-based companies which seek long-term, subordinated debt in order to augment their capital base, develop new products and expand plant capacity.

3. MCRC meets the financing requirements of new technology-based companies by providing equity capital or convertible subordinated debt.

4. MCRC participates in leveraged buyout transactions by providing hard-to-raise capital in the form of secured debt, equity capital and high-risk subordinated debt.

5. MCRC assists other lenders and creditors in the revitalization of existing businesses.

Q. Which companies qualify?

A. Virtually any Massachusetts-based company (exceptions: real estate developers, financial intermediaries, retailers, construction contractors and public utilities.)

Q. How much can MCRC invest?

A. From \$100,000 to \$5,000,000.

For further information, contact:

William J. Torpey, President
Massachusetts Capital Resource Company
545 Boylston Street
Boston, Massachusetts 02116
(617) 536-3900

MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION (MBDC)

Q. What does Massachusetts Business Development Corporation do?

A. The Massachusetts Business Development Corporation (MBDC) provides loans for businesses which cannot obtain all of their financial requirements from conventional sources.

Q. Who is eligible for MBDC financing?

A. Many small or medium-sized business enterprises.

Q. What types of loans does MBDC make?

A. There are six types:

1. Working capital - secured by fixed assets.
2. Leveraged buy-outs when a significant loss of jobs from the Commonwealth is at stake.
3. Second mortgages - conventional or with an industrial revenue bond for plant expansion or new production facilities.
4. Government guaranteed loans - various programs: SBA, Farmers Home Administration.
5. SBA 503 loans. Second mortgages at low cost for financing purchase of real estate and/or machinery and equipment.
6. Long-term loans for new equipment or energy conversion.

Q. Are lending terms flexible?

A. Yes. While MBDC often participates with conventional lenders in a financial package plan, it can provide up to 100% financing. Loans are medium to long-term.

Q. What advantages are offered to businesses borrowing from MBDC?

There are three:

- A.**
1. MBDC accepts collateral which normally is not acceptable to conventional lenders.
 2. MBDC provides guidance and expertise for businesses seeking financing.
 3. Longer terms than under conventional financing.

For further information on MBDC, contact:

Kenneth J. Smith, President
Massachusetts Business Development Corporation
One Boston Place
Boston, Massachusetts 02108
(617) 723-7515

COMMUNITY DEVELOPMENT FINANCE CORPORATION (CDFC)

Q. Where can businesses in an economically depressed area obtaining financing?

A. CDFC can provide flexible financing for working capital needs and real estate development projects when there is some clear public benefit. CDFC investments are made in conjunction with Community Development Corporations (CDCs) which are organized to promote economic development in targeted areas of the Commonwealth. CDFC financing is available to those businesses which are able to provide good employment opportunities, are unable to meet their capital needs in the traditional markets, and have the sponsorship of an eligible CDC.

Q. What type of financing is available?

A. CDFC offers three investment programs for economic development projects:

1. The VENTURE CAPITAL INVESTMENT PROGRAM provides debt and equity financing to small, viable businesses. The preferred investment range is \$75,000-\$300,000, with CDFC providing up to one-third of the total financing required.

2. The COMMUNITY DEVELOPMENT INVESTMENT PROGRAM offers flexible, short-term financing to CDC-sponsored housing and commercial/industrial real estate projects. CDFC can provide 20%, or up to \$250,000, for the financing of specific and recoverable development expenses, or as one of the sources of CDC equity in a real estate project.

3. The SMALL LOAN GUARANTEE PROGRAM extends CDFC's financing capabilities to businesses requiring smaller amounts of capital (under \$50,000). CDFC's loan to the CDC provides the cash collateral to secure the CDC guarantee of 50%, or up to \$25,000, of an approved bank loan to a small business.

Q. How do businesses apply for CDFC financing?

A. Investment requests originate with the local CDC, and are submitted to CDFC after a working partnership has been established between the sponsoring CDC and an interested business or developer.

For further information on CDFC, please contact:

Charles T. Grigsby, President
Massachusetts Community Development
Finance Corporation (CDFC)
131 State Street
Suite 600
Boston, Massachusetts 02109
(617) 742-0366

MASSACHUSETTS GOVERNMENT LAND BANK

Q. What is the Massachusetts Government Land Bank?

A. The Land Bank is a quasi-public state agency functioning as financier and public developer since 1975. In one role, the Land Bank offers below-market mortgage financing to qualifying public-purpose development projects lacking sufficient public/private investment. In the second capacity, the agency can acquire, rehabilitate, prepare, construct, demolish, and dispose of eligible properties.

Q. What types of projects qualify for Land Bank assistance?

A. Commercial, industrial, mixed-use, residential, surplus federal property within Massachusetts, and surplus state property.

Q. Whom does the Land Bank work with?

A. Private developers, cities/towns, and non-profit organizations.

Q. What are the typical eligibility requirements?

A. Property must:

1. be blighted open, decadent or substandard.
2. be financially feasible.
3. have community support.
4. leverage additional financing.
5. be replicable by other organizations.
6. catalyze further development in area.

Q. Where does the Land Bank get its money?

A. The Land Bank has access to \$40 million in Massachusetts General Obligation Bonds, half of which are Industrial Development Bonds. Project investments generally range from \$200,000 to \$3 million.

For further information on the Land Bank, please write or call:

Jeffrey A. Simon, Executive Director
The Massachusetts Government Land Bank
6 Beacon Street, Suite 900
Boston, Massachusetts 02108
(617) 727-8257

FINANCING & TAX REDUCTIONS FOR POLLUTION CONTROL & ALTERNATIVE ENERGY

Q. What financial assistance is available for pollution control facilities?

A. 1. Industrial revenue bonds are available in unlimited amounts for the construction of pollution control facilities (industrial waste and air pollution facilities).

2. Loan guarantees are available in negotiable amounts for conventional loans and revenue bonds for the establishment of pollution control facilities.

3. 100% federally-guaranteed tax exempt bonds may be obtained from the Massachusetts Industrial Finance Agency through a new program of the U.S. Small Business Administration.

Revenue bonds and loan guarantees are available through the Massachusetts Industrial Finance Agency (MIFA).

For further information on revenue bonds, loan guarantees, and federally-guaranteed pollution control bonds, contact:

Massachusetts Industrial Finance Agency
125 Pearl Street
Boston, Massachusetts 02110
(617) 451-2477

Q. What tax reductions are available for pollution control facilities and alternative energy sources (an approved solar or wind powered system or device)?

A. 1. Five-year amortization of pollution control facilities for federal income tax purposes.

2. Exemption from local property tax of pollution control facilities and alternative energy sources (20 years).

3. Deduction from net income for alternative energy sources.

4. Exclusion from tangible property base for alternative energy sources.

For further information on tax reductions, contact:

Massachusetts Department of Revenue
Corporation Bureau, Third Floor
215 First Street
Cambridge, Massachusetts 02142
(617) 727-4264

Q. Who is eligible for financial assistance and tax reductions for pollution facilities?

A. A domestic or foreign business corporation whose facility has been certified by the Massachusetts Department of Environmental Quality Engineering.

Q. Who is eligible for tax reductions for alternative energy sources?

A. Individuals, unincorporated businesses and a domestic or foreign business corporation that has prepared an energy study.

For further information contact:

Division of Capital Planning and Operations
Office of Facilities Management
One Ashburton Place, 15th floor
Boston, Massachusetts 02108
(617) 727-4028

SEWER COLLECTION SYSTEMS GRANT PROGRAM

Q. What is the purpose of the Sewer Collection Systems Grant Program?

- A.**
1. To serve developed residential areas where a need has been established.
 2. To serve industrial/commercial projects providing substantial economic benefit to the Commonwealth. Generally, projects which will result in either retaining or expanding industrial or commercial job opportunities are eligible.

Q. What type of funding assistance does the program provide?

- A.** Grants are limited to 50% of eligible construction costs not to exceed \$2,000,000 per grant

Q. Who may receive a grant?

- A.** Public entities within a public right of way; i.e., local or regional sewer agencies.

Q. Are there any limitations on the local costs?

- A.** Yes. Design and engineering expenses are not eligible. Construction costs are eligible. Local costs may be supplemented by any other source, i.e., gifts, other grants, betterments. However, the total cost of all funds received shall not exceed 100% of the total cost of the project.

Q. How does a business apply for a grant?

- A.** The public entity must submit a Project Information Form (PIF) to the State Division of Water Pollution Control before January 1 of the previous fiscal year to be considered for placement on the following year's priority lists (Example: For a project to be considered for the FY-86 priority list (July 1, 1985 to June 30, 1986) the Division must have received the PIF before January 1, 1985.)

For further assistance contact:

Massachusetts Department of Environmental
Quality Engineering
Division of Water Pollution Control
Program Administrator
Collection Systems Grant Program
One Winter Street
Boston, Massachusetts 02108
(617) 292-5681



Tax Incentives



FACTOR ALLOCATION FORMULA

Q. What is the Factor Allocation Formula?

A. The Factor Allocation Formula is the method by which Massachusetts calculates its allocated net income for multi-state corporations. The formula includes: 1) payroll; 2) sales; and 3) property. Increases in any of the three factors will result in an increased tax liability.

Sales are given twice the weight of property and wages under the formula. This provides high preferential treatment to corporations with disproportionately high concentrations of payroll and assets in Massachusetts.

Q. Who is eligible under this preferential treatment?

A. All multi-state and multi-national corporations. The formula would be as follows:

$$\frac{\text{Avg. value of property in Mass.}}{\text{Avg. value of all property}} + 2 \times \frac{\text{Mass. sales}}{\text{Total sales}} + \frac{\text{Mass. payroll}}{\text{Total payroll}} \div 4$$

Also, export sales are given favorable treatment under the allocation formula. The following sales are not attributed to Massachusetts for income apportionment purposes: sales of property delivered or shipped to a purchaser in a foreign country, sales to the U.S. Government for resale to a foreign government and sales by a corporation or its wholly-owned DISC. This is an immediate tax benefit each year, and is not deferred.

For further information on the Factor Allocation Formula, contact:

Massachusetts Department of Revenue
Corporations Bureau, Third Floor
215 First Street
Cambridge, Massachusetts 02142
(617) 727-4264

LOSS CARRY OVER FOR NEW CORPORATIONS

Q. Can a new corporation carry forward its losses?

A. Yes, all new corporations may carry forward their losses for the first five years of their existence, terminating on the fifth year.

Q. How does the Loss Carry Over work for a new corporation?

A. If a new corporation sustains losses during its first five years of operation, it may deduct these losses from its taxable income.

The following illustrates an application of the Loss Carry Over for a five-year period:

	1st yr.	2nd yr.	3rd yr.	4th yr.	5th yr.
Net income (loss)	(\$100,000)	\$25,000	\$20,000	\$35,000	\$50,000
Deduction	-0-	\$25,000	\$20,000	\$35,000	\$20,000
Taxable Income	-0-	-0-	-0-	-0-	\$30,000
Total Income Tax* (minimum is \$228.00)	\$228.00	\$228.00	\$228.00	\$228.00	\$2,850
Portion of loss carried forward	\$100,000	\$75,000	\$55,000	\$20,000	-0-

Total tax liability without carryforward: \$12,578

Total tax liability with carryforward: 3,762

Total taxes saved: \$ 8,816

*Corporations may also have a tax liability under property measure of excise tax.

For further information, contact:

Massachusetts Department of Revenue
Corporations Bureau, Third Floor
215 First Street
Cambridge, Massachusetts 02142
(617) 727-4264

LOCAL TAX EXEMPTION ON TANGIBLE PROPERTY

Q. What is the Local Tax Exemption for a manufacturing, R&D, agricultural or fishing corporation?

A. Machinery, equipment, furniture and fixtures, tools, supplies, inventory, and goods in process are exempt from local property taxes. There is no ad valorem tax in Massachusetts. See footnote below.

Q. What is the Local Tax Exemption for a non-manufacturing corporation?

A. Inventory, equipment, furniture and fixtures, tools, supplies, and goods in process are exempt from local property tax. Only machinery and real estate would be taxed by the municipality.

Q. Is there any tax on such property?

A. Yes. Inventory, machinery, equipment, furniture and fixtures, tools, supplies, and goods in process are subject to a levy at the state level of \$2.60 per \$1,000 valued at book value.

Footnote

Please note: Each business must apply to the Revenue Department for designation as a manufacturer, R & D, agricultural or fishing corporation. It is a basically simple process, but it is not automatic. This is also necessary for the 3% investment credit.

For further information on the local tax exemption on tangible property, contact:

Massachusetts Department of Revenue
Corporations Bureau, Third Floor
215 First Street
Cambridge, Massachusetts 02142
(617) 727-4264

3% INVESTMENT TAX CREDIT

Q. What is the 3% Investment Tax Credit?

A. This is a 3% credit against state excise tax liability on the cost or other federal basis of depreciable real and tangible property purchased during the year it is used and situated in Massachusetts. Also covered is tangible property rented or leased from local and regional business development corporations. In computing the credit, the cost of the property must be reduced by the amount of any federal credit taken. Unused portions of the tax credit may be carried forward up to 3 years, or indefinitely (see below).

Q. Who is eligible?

A. Manufacturing corporations, agricultural and commercial fishing enterprises and those corporations primarily engaged in research and development. *Please see footnote.* Both foreign and domestic corporations doing business in Massachusetts may benefit.

Q. Are there any restrictions?

A. Yes, total credits taken by a corporation in a given year cannot exceed 50% of excise liability. Credits not allowed because of this limitation may be carried forward indefinitely. Also, there is a statutory minimum excise tax of \$228.00.

The following illustrates an application of the 3% investment tax credit over a five-year period. It shows the effect of both the three year carry-forward and the unlimited carryforward.

Footnote

Please note: Each business must apply to the Revenue Department for designation as a manufacturer, R & D, agricultural or fishing corporation. It is a basically simple process, but it is not automatic. This is also necessary for the 3% investment credit.

BUILDING, MACHINERY & EQUIPMENT - \$2,000,000 INVESTMENT IN YEAR ONE

	1st yr.	2nd yr.	3rd yr.	4th yr.	5th yr.
3% Investment Tax Credit	\$51,000	\$44,000	\$35,500	\$26,000	\$15,000
Total Mass. Excise Tax	\$14,000	\$17,000	\$19,000	\$22,000	\$30,000
Investment Credit Allowed (-)	\$7,000	\$8,500	\$9,500	\$11,000	\$15,000
Adjusted Tax Liability	\$7,000	\$8,500	\$9,500	\$11,000	\$15,000
Tax Savings each year	\$7,000	\$8,500	\$9,500	\$11,000	\$15,000
Credits Carried Forward 3 yrs.	\$37,000	\$20,000	\$1,000	\$0	\$0
Unlimited Carryforward	\$7,000	\$15,500	\$25,000	\$15,000	\$0

Total tax without credit \$102,000
Total tax with credit \$ 51,000
Total savings - \$ 51,000

For further information, contact:

Massachusetts Department of Revenue
Corporations Bureau, Third Floor
215 First Street
Cambridge, Massachusetts 02142
(617) 727-4264

SALES TAX EXEMPTION FOR MACHINERY

Q. What is the sales tax exemption?

A. Certain machinery and replacement parts used by manufacturing corporations and by corporations primarily engaged in research and development are exempt from Massachusetts sales and use taxes. There are additional sales tax exemptions for machinery used in other specialized industries such as agriculture and commercial fishing. *Please see footnote below.*

Q. Are there any restrictions?

A. Yes. Generally, all exempt items must be used directly and exclusively in an industrial plant in the actual manufacturing, conversion, or processing of tangible personal property to be sold, or for research and development purposes.

Please note: Each business must apply to the Revenue Department for designation as a manufacturer, R & D, agricultural or fishing corporation and for a sales tax exemption number. It is a basically simple process, but neither is automatic. This is also necessary for the 3% investment credit.

For further information on the sales tax exemption, contact:

Massachusetts Department of Revenue
Taxpayer Assistance
100 Cambridge Street, 3rd floor
Boston, Massachusetts 02204
(617) 727-4490

CAPITAL GAINS DEDUCTION (PERSONAL INCOME TAX)

Q. What is the capital gains deduction?

A. Individual taxpayers may deduct 50% of net long-term capital gains in computing Massachusetts taxable income.

For further information, contact:

Massachusetts Department of Revenue
Taxpayer Assistance
100 Cambridge Street, 3rd floor
Boston, Massachusetts 02204
(617) 727-4545

DONATIONS OF SCIENTIFIC EQUIPMENT

Q. What tax incentives are available for making donations of scientific equipment?

A. 1. Corporations are allowed an additional deduction of 25% of the federal charitable deduction for gifts of qualified scientific property to higher education institutions in Massachusetts.

2. Manufacturers are exempt from sales or use tax for gifts of scientific equipment to educational institutions.

For further information on the corporate excise deduction, contact:

Massachusetts Department of Revenue
Corporations Bureau, Third Floor
215 First Street
Cambridge, Massachusetts 02142
(617) 727-4264

For further information on the sales tax exemption, contact:

Massachusetts Department of Revenue
Taxpayer Assistance
100 Cambridge Street, 3rd floor
Boston, Massachusetts 02204
(617) 727-4490

EXPENSING R & D AND OTHER FEDERAL TAX INCENTIVES

Q. Does Massachusetts adopt federal tax incentives?

A. Generally, Massachusetts adopts the R & D deductions, but not the credits, available to businesses under the federal income tax.

For example, businesses may elect to expense research or experimental expenditures. At least some of these costs would otherwise be treated as capital expenditures and depreciated or amortized.

Q. What else does Massachusetts allow?

A. Massachusetts allows the accelerated depreciation schedule of the I.R.S.

Massachusetts uses most of the same definitions as the IRS.

Refer to the fact sheet on the use of federal TJTC amount as a Massachusetts corporation tax deduction.

For information on expensing R and D and other federal tax incentives adopted by Massachusetts, contact:


Massachusetts Department of Revenue
Corporations Bureau, Third Floor
215 First Street
Cambridge, Massachusetts 02142
(617) 727-4264

DIVIDEND DEDUCTION



Q. Can corporations deduct dividends received from other corporations?

A. Generally, corporations may deduct from net income dividends which are received from other corporations. Exceptions are the deemed and actual distributions from non-wholly-owned DISCs and dividends where the taxpayer owns less than 15% of the voting stock of the corporation paying the dividend.



For further information on the dividend deduction, contact:

Massachusetts Department of Revenue
Corporations Bureau, Third Floor
215 First Street
Cambridge, Massachusetts 02142
(617) 727-4264

TARGETED JOBS TAX CREDIT PROGRAM (TJTC) — STATE DEDUCTION

Q. What is the purpose of the federal TJTC program?

A. The purpose is to encourage industry to hire people in specified classifications by providing a special federal tax credit to participating employers. Both full time and part time employees may be eligible. The state allows a deduction for corporations.

Q. What is the special tax credit?

A. The federal credit is equal to 50% of the first-year wages up to \$6,000.00 per employee (\$3,000.00); and 25% of second-year wages up to \$6,000.00 (\$1,500.00). Employment of a person from a target group could bring as much as a \$4,500.00 federal tax credit to participating employers. TJTC applies to wages incurred for new employees hired during the year (even on the last day of the year).

Q. What are the targeted groups?

A. The Division of Employment Security (DES) must determine eligibility of each person from one of nine classifications:

1. Vocational rehabilitation.
2. Economically disadvantaged youths (age 18 to 24).
3. Economically disadvantaged Vietnam-era veterans.
4. Supplemental Security Income (SSI) recipients.
5. General assistance recipients.
6. Youths participating in qualified cooperative education programs (age 16 to 19).
7. Economically disadvantaged ex-convicts.
8. Eligible aid to dependent children recipients.
9. Qualified summer youth.

Q. How does an employer participate in the program?

A. 1. The employer must request or receive a certification for the applicant from the local Massachusetts Division of Employment Security

Job Matching Center for eligibility determination. A request for certification must be made in writing (postmarked) at least on the day a person starts work. If eligible, the Center will provide a TJTC certification to the employer. The Certification serves as the basis for completing the special IRS tax credit form that is included with the employer's federal tax return at the end of the year. Employers can lose the credit if a prior request for certification is not made. All employers are eligible, for the federal credit, not only corporations.

2. Pre-vouchered applicants may also seek their own employment under this program, and are available to employers for immediate hire and valid tax credit.

3. Young persons in a cooperative education program would be certified by their respective school.

For employee eligibility information and recruiting assistance, contact one of the Local D.E.S. Job Matching Centers shown on the reverse side.

Q. Is there a similar Massachusetts program?

A. Yes, Massachusetts allows a deduction to corporations for the federal targeted jobs credit (allocable to wages paid in Massachusetts). The key is to take the federal credit properly, first by contacting the D.E.S. for certified, eligible recruits in advance of hiring.

For further recruiting information, contact:

Division of Employment Security
Job Matching Centers (See reverse)
C.F. Hurley Building
Government Center, Boston, MA 02114
(617) 727-6322

In-state
1-800-392-6209

MASSACHUSETTS DIVISION OF EMPLOYMENT SECURITY JOB MATCHING CENTERS

Attleboro 67 Mechanic St., P.O. Box 978
— 02703 — 222-1950

Boston C.F. Hurley Building, Govt. Ctr.
02114 — 727-6320

Brockton 25 White Avenue 02401 —
586-8100

Cambridge 806 Massachusetts Avenue
02139 — 864-1950

Chicopee 355 Front Street 01013 —
(413) 598-8371

Fall River 162 Pleasant St., P.O. Box
470 — 02722 — 678-8311

Fitchburg 356 Broad Street 01420 —
343-6461

Framingham 460 Franklin Street 01701 —
875-5237

Gardner 86-88 Parker Street 01440 —
632-5050

Gloucester 18 Washington Street 01930 —
283-4722

Greenfield 31 Federal Street 01301 —
(413) 774-4361

Haverhill 4 Summer Street, Room 3 —
01830 — 374-4153

Holyoke 227 South Street 01040 —
(413) 538-8271

Hyannis Rte. 132 Iyanough Road (Cape-
town Plaza) 02601 — 775-5800

Lawrence 350 Essex Sreet 01840 —
682-5217

Lowell 291 Summer Street 01852 —
458-4641

Lynn 52-62 Market Street 01901 —
595-7220

Malden 200 Pleasant Street 02148 —
322-8890

Marlboro 11 Florence Street 01752 —
485-8711

Milford 65 Congress Street 01757 —
473-1985

New Bedford 874 Purchase Street 02740
— 999-2361

Newburyport 15 Green Street 01950 —
462-4494

North Adams 85 Main Street 01247 —
(413) 663-3748

Northampton 34 Bridge Street 01060 —
(413) 586-3166

Norwood 17 Central Street 02062 —
762-9450

Pittsfield 46 Summer Street 01201 —
(413) 499-1793

Plymouth 19 Court Street 02360 —
746-5910

Quincy 1433 Hancock Street 02169 —
471-2750

Salem 118 Washington Street 01970 —
745-1860

Springfield 1592 Main Street 01103 —
(413) 785-1231

Taunton 21 Spring Sreet 02780 —
824-5835

Waltham 738 Main Street 02154 —
899-9340

Wareham 3086 Cranberry Highway
P.O. Box 286 Buzzards Bay 02532 —
295-6170

Webster 562 Main Street 01570 —
943-1240

Westfield 42 Arnold Street P.O. Box 99
01085 — (413) 562-5137

Woburn 12 Walnut Street 01801 —
935-4654

Worcester 51 Myrtle Street 01608 —
791-8551

**Area Codes are 617 unless
shown as 413*



Training & Recruiting Services



BAY STATE SKILLS CORPORATION (BSSC)

Q. What is the Bay State Skills Corporation?

A. BSSC is a quasi-public corporation created by the legislature in July, 1981. It responds to the training needs of Massachusetts companies in our rapidly changing economy. It is governed by an independent board of directors, chaired by State Secretary of Economic Affairs

Q. What is the purpose of the Bay State Skills Corporation?

A. BSSC's basic purpose is to award state grants to education and training institutions which link up with one or more private companies. People are trained for jobs in high growth fields. This is part of a broader mission to encourage and facilitate the formation of cooperative relationships between business, industry, labor, government and education in developing or expanding skills training consistent with employer needs. BSSC also conducts conferences and disseminates specialized labor market information to fulfill its broad mission.

Q. How is funding obtained?

A. Any Massachusetts non-profit or public education/training institution teams up with private businesses to operate an education and training program in a growth occupation or occupations. Businesses must be willing to provide 50% of the costs in cash, equipment, curriculum development, instructor time, materials, supplies and other direct or in-kind resources. Education and training institutions can submit a short concept paper, and then fill out a full proposal after consultation with the BSSC staff.

Q. Who can qualify for training?

A. The general public in Massachusetts who seek entry level, upgrading, retraining or advanced

training. BSSC also provides training for mentally retarded persons, displaced homemakers, AFDC recipients, and other "targeted" populations.

Q. Where does the training take place?

A. At Massachusetts schools, colleges, universities, training centers, and community based organizations. On site internships at participating companies are often included.

Q. What types of programs has BSSC funded to date?

A. BSSC funds programs in a wide variety of occupational areas: machine operation, precision machining, nuclear medicine technology, respiratory therapy, word processing, data entry, microwave engineering, computer-aided drafting and design, electronics, advanced automation and robotics. The training spans entry level, retraining, and employee upgrade training, as well as advanced level university and college-level education. These programs foster BSSC's goal to expand the number of skilled workers for Massachusetts companies.

Q. How do educational institutions and employers initiate the funding process?

A. Call BSSC to receive further information and to arrange a meeting with a program specialist to discuss the idea.

For further assistance, contact:

Susan Moulton, Exec. Director
The Bay State Skills Corporation
101 Summer Street, 2nd Floor
Boston, Massachusetts 02110
(617) 292-5100

MASSACHUSETTS TECHNOLOGY PARK CORPORATION (MTPC)

Q. What are the goals of the Massachusetts Technology Park Corporation?

A. The MTPC, a \$40 million corporation created by the Massachusetts Legislature in 1982, will establish one or more educational centers containing design, fabrication and testing facilities and equipment for post secondary academic and practical training programs urgently required to satisfy the education and employment needs of business and industry and the people of Massachusetts.

Q. What is the MTPC's first project?

A. The establishment of a Massachusetts Microelectronics Center (MMC). The Center will be located in Westborough, Massachusetts, with temporary programs nearby during construction.

Q. Of what will the MMC consist?

A. The MMC will have three components: a computer aided design network, an integrated circuit fabrication facility and a semiconductor instructional processing laboratory.

Q. Who will use the Massachusetts Microelectronics Center?

A. The MMC will be utilized by the engineering colleges and universities of Massachusetts to provide advanced educational opportunities to students and employees on a full time and a continuing education basis in the areas of semiconductor and microelectronics technologies.

Q. How will the Microelectronics Center be funded?

A. By a \$20 million bond issue to be matched by an equal amount in commitments from business for machinery and equipment.

For further information, contact:

Dr. Joseph Stach, Exec. Director
Massachusetts Technology Park Corporation
Westborough Executive Park
P.O. Box 663
Westborough, MA 01581
(617) 870-0312

OFFICE OF TRAINING & EMPLOYMENT POLICY (OTEP)

Q. Who provides employment and training services in Massachusetts?

A. Massachusetts offers employers a broad range of employment, education and job training services through its \$60 million federal Job Training Partnership Act (JTPA) program. These services are coordinated and administered at the state level by the Office of Training and Employment Policy, with the actual training programs provided through a network of Private Industry Councils and service delivery programs located across the state. See a separate fact sheet on the Bay State Skills Corporation and educational institutions. There are also fourteen vocational schools throughout the state.

Q. What is a Private Industry Council?

A. A Private Industry Council (PIC) is a business-led organization that plans and oversees a comprehensive program of locally-developed employment and training services. In conjunction with 15 regional Service Delivery Agencies, PICs work with area employers, educators and community representatives to design and operate job training and other types of employment-related programs.

Q. What kinds of services are available to employers?

A. Through OTEP and PICs, employers can recruit trained personnel and obtain critical information about the local labor markets and economic development resources. Some of the services include: customized skills training, subsidized training (OJT), general or basic skills training and labor force statistics.

Q. Why should I contact OTEP and the PIC?

A. Because it's good business. The Commonwealth's employment and training program can provide employers with well-trained, dedicated employees and cut the costs of recruitment and training. The information and assistance that a Private Industry Council provides can ease the way for a company that wants to move into or expand in an area. Special tax credits (TJTC), deductions, and cash reimbursements may be available as well.

For more information , please call your local agency (see reverse) or contact OTEP.

STATE OTEP INFORMATION

Ms. Catherine N. Stratton
Associate Secretary
Executive Office of Economic Affairs
Office of Training & Employment Policy
Charles F. Hurley Bldg., 4th Floor
Government Center
Boston, Massachusetts 02114
(617) 727-2252

BERKSHIRE COUNTY (Far West)

Mr. David S. Yorke, Director
Berkshire Employment and Training Program
400 Columbus Avenue
Pittsfield, Massachusetts 01201
(413) 499-2220

BOSTON (City)

Mr. Paul Grogan, Director
Neighborhood Development & Employment Agency
City of Boston
15 Beacon Street
Boston, Massachusetts 02108
(617) 720-4300

Mr. Jim Darr, Director
Boston Private Industry Council, Inc.
110 Tremont Street
Boston, Massachusetts 02108
(617) 423-3755

BRISTOL COUNTY (South)

Mr. James Calkins, Director
Bristol County Training Consortium
85 North Main Street
Fall River, Massachusetts 02720
(617) 675-1161

BROCKTON AREA

Mr. Joseph Joseph, Executive Director
Brockton Area Private Industry Council
45 Oakdale Street
Brockton, Massachusetts 02401
(617) 584-1887

**FRANKLIN/HAMPSHIRE COUNTY
(Northwest)**

Mr. Arthur Schwenger, Director
Franklin/Hampshire Employment & Training
Consortium
57 Wells Street
Greenfield, Massachusetts 01301
(413) 774-3182

HAMPDEN COUNTY (West Central)

Mr. Raymond Jarvis, Executive Director
Hampden County Employment and Training
Consortium
1176 Main Street
Springfield, Massachusetts 01101
(413) 781-6900

Mr. William Ward, Executive Director
Private Industry Council
c/o Greater Springfield Chamber of Commerce
600 Bay State West Plaza
1500 Main Street
Springfield, Massachusetts 01115
(413) 787-1555

LOWER MERRIMACK VALLEY (Northeast)

Mr. David K. Breen, Director
Department of Training and Manpower Development
237 Essex Street
Lawrence, Massachusetts 01840
(617) 685-3527

METRO NORTH (in the Boston Area)

Ms. Nancy Brown, Acting President
Employment Resources, Inc.
50 Essex Street
Cambridge, Massachusetts 02139
(617) 492-0591

METRO SOUTH/WEST (in the Boston Area)

Ms. Anne Wholley, Executive Director
Metro South/West Employment and Training
Administration
P.O. Box 740
Norwood, Massachusetts 02062
(617) 769-4120

NEW BEDFORD/CAPE COD & ISLANDS

Mr. Paul Vigeant, President
Office for Job Partnerships
P.O. Box A-2102
New Bedford, Massachusetts 02741
(617) 999-3161

**NORTHERN MIDDLESEX COUNTY (Lowell
Area)**

Mr. Henry Przydzial, Director
Office of Employment & Training
89 Appleton Street
Lowell, Massachusetts 01852
(617) 459-2336

Mr. William Kirwin, Executive Director
Greater Lowell Private Industry Council
89 Appleton Street
Lowell, Massachusetts 01852
(617) 459-2336

**NORTHERN WORCESTER COUNTY (Central
Area)**

Ms. Kristina Dower, Director
Montachusett Employment and Training Program
130 Elm Street
Gardner, Massachusetts 01440
(617) 632-3193

SOUTH COASTAL (includes Plymouth area)

Mr. Paul Ricca, Director
South Coastal Career Development Administration
11 Hayward Street
North Quincy, Massachusetts 02171
(617) 328-7300

SOUTHERN ESSEX COUNTY

Mr. Jack Lyons, Director
Salem Area Employment and Training Administration
10 Orne Street
Salem, Massachusetts 01970
(617) 745-9280

**SOUTHERN WORCESTER COUNTY (Central
Area)**

Mr. David O'Toole, Director
Southern Worcester County
Service Delivery
405 Main Street
Worcester, Massachusetts 01608
(617) 799-1590

D.E.S. EMPLOYER RECRUITING SERVICES

Q. What does DES offer an employer?

A. DES (Massachusetts Division of Employment Security) operates the largest labor exchange in New England. In 1983 Massachusetts employers filled over 65,000 job openings through the agency.

Q. How does DES work?

A. By calling one of DES's 37 local offices, an employer can list any number of job openings with the qualifications required. DES also screens applicants and refers job seekers who meet a company's requirements.

Q. What special services does DES provide?

A. 1. For new or expanding companies who have many positions to fill at one time, DES offices can provide complete personnel services — recruiting and screening hundreds or thousands of job applicants for a major hiring effort. Employers have the option, as well, of bringing DES interviewers on-site to screen potential employees. Either way, the DES staff are trained interviewers who are able to respond quickly to a specific company's human resources needs and objectives.

2. Companies with relatively high employee turnover can use DES on an on-going basis to screen all job applicants.

3. Any company that lists even one job, is assured that the opening will be seen by thousands of job seekers across the State through DES's computerized job bank.

4. DES, in addition, regularly publicizes job openings on radio, television and cable television, reaching a wide audience of potential employees.

5. Listing job openings with DES also simplifies the Targeted Jobs Tax Credit (TJTC) program. Under TJTC, a company who hires a worker vouchered by DES is entitled to a federal tax credit worth up to \$4,500 for a permanent employee and up to \$2,550 for a teenager hired

for the summer. Those eligible for TJTC include many low-income and handicapped job seekers.

6. As Massachusetts' official source of labor market information, DES can provide companies with reliable data on local wage rates, affirmative action statistics and availability of appropriate workers.

7. DES's Test Development Program offers employers valid, non-discriminatory tests designed to reduce turnover, shorten training time and increase productivity.

Q. How much do those services cost?

A. Employers have already paid for every DES Service through the Unemployment Insurance tax system. Taking advantage of DES's services significantly reduces hiring costs, while adding nothing to an employer's costs.

Q. Who uses DES?

A. Hundreds of companies from hotels to high tech firms regularly turn to DES for hiring assistance. The majority of DES job listings, in fact, come from companies who have had positive experiences using the agency.

Q. How can a company contact DES?

A. DES's Employer Services in Boston, (617) 727-7649, is ready to direct employers to the nearest local office or to any DES service located at DES's main office.

For further information, call the number above or contact DES's main office:

Job Matching Service
Massachusetts Division of Employment Security
The Hurley Building
Government Center
Boston, Massachusetts 02114
(617) 727-6811



Export Assistance & Foreign Trade



OFFICE OF INTERNATIONAL TRADE

Q. What is the Massachusetts Office of International Trade and Investment?

A. The Office of International Trade and Investment (OITI) is a newly established office within the Executive Office of Economic Affairs.

Q. What is the purpose of the Office of International Trade and Investment?

A. OITI is responsible for overseeing Massachusetts' international trade activities primarily through the development of a new state export promotion program and continuation of Massachusetts' reverse investment efforts.

Exports — OITI will initiate a state export development program designed to boost exports in specific targeted industries.

Reverse Investment — OITI will continue to handle the state's reverse investment program for attracting foreign manufacturing investment to Massachusetts.

Some of the services OITI provides foreign investors are: Individual investment reports including such information as:

1. Tax Liability Studies
2. Industry Specific Wage Data
3. Labor Availability Studies
4. Community Profiles
5. State and Local Job Training Incentives
 - Site Surveys and Evaluation
 - Private and Public Sector Liaison
 - Joint Venture/Licensing Searches

The OITI also monitors the degree of foreign investment in Massachusetts and maintains information on over 300 foreign subsidiaries located in the state.

As the international arm of the state government, OITI will be coordinating trade contacts with a variety of foreign countries, including the P.R.C. through Massachusetts Friendship Protocol with Guangdong Province.

For further information on the OITI, please contact:

Byron F. Battle, Undersecretary
Office of International Trade and Investment
One Ashburton Place - Suite 2110
Boston, Massachusetts 02108
(617) 367-1830
Telex: 940103 PUBTLX BSN A

PROJECT EXPORT MASSACHUSETTS PORT AUTHORITY

Q. What is Project Export?

A. Project Export is a one-year trade program funded in part by a grant from the U.S. Department of Commerce. By expanding the scope of the Small Business Export Program (SBEP), it will introduce small and medium sized companies to new markets.

Q. What are these markets?

A. The market areas which Project Export has targeted for special attention are high-potential, developing world markets, specifically:

1. The Far East, with emphasis on the ASEAN area (Indonesia, Malaysia, Philippines, Singapore, and Thailand).
2. Latin America, with particular attention devoted to the Caribbean Basin.
3. West Africa, emphasizing Cameroon, Gabon, Ivory Coast, Mali, and Senegal market.

Q. What industries will Project Export target?

A. The program provides export counseling, market research, and foreign contact identification for exporting firms in the following industry areas:

1. Information technology.
2. Health care and bio-medical supplies and equipment.
3. Electronic components and electronic industrial production equipment.
4. Service industries, such as architectural, engineering and data processing services.

Q. What are the other activities of Project Export?

A. Project Export will organize and conduct trade events and prepare technical assistance materials related to the targeted industries and markets, including:

1. Six export education workshops.
2. A series of "Executive Dialogue" sessions, at which Project Export participants will meet with seasoned exporters.
3. Two regional workshops on specialized trade topics.
4. At least one overseas trade event in conjunction with SBEP trade missions.
5. Development of a New England product guide for distribution to foreign buyers.
6. Production of a "Business Plan for Exporters", a publication detailing the management requirements for a company undertaking an export effort.
7. Preparation of a feasibility study on the formation of an export traders cooperative for the information technology industry.

For further information, contact:

Massachusetts Port Authority
99 High Street
Boston, Massachusetts 02110
(617) 482-2930

After November 1984:

Massachusetts Port Authority
10 Park Plaza
Boston, Massachusetts 02116
(617) 973-7200

MASSPORT FOREIGN TRADE ZONE #27

Q. What is a Foreign Trade Zone?

A. A Foreign Trade Zone (FTZ) is a portion of U.S. territory designated by the Federal Government as "outside" the U.S. for purposes of customs and tariffs. In the Boston area, the Massachusetts Port Authority has the "franchise" from the federal government and operates a large FTZ at Logan Airport and at Pier 51.

The U.S. Department of Commerce selects and oversees FTZ's through its Foreign Trade Zone Board.

FTZ's allow American firms to process, assemble, display, test or store imported goods without paying import duties or observing quotas. Only when a finished or assembled product officially "enters" the United States is import duty charges. If the FTZ goods are re-exported, no duty is charged at all.

Q. What are the advantages of an FTZ?

A. FTZ users gain numerous time and cost savings, including:

1. Improved cash flow: duties are paid only on goods as they leave the FTZ; re-exports pay no duty.
2. Swift, secure, and indefinite storage of imported goods without U.S. Customs formalities.
3. Storage of large quantity purchases, including those in excess of U.S. quotas, until next quota period, or until favorable market conditions prevail.
4. Minimize duties by not paying for shrinkage, damaged goods, waste materials, or faulty components.
5. Avoid posting of bonds for any reason.
6. Manufacturer of finished projects before duties components officially "enter" U.S. territory.

Q. Are FTZ's available in Massachusetts?

A. Yes. The Massachusetts Port Authority (Massport) holds the license for Foreign Trade Zone #27, which covers a general facility at Pier 41 in Charlestown, as well as several subzones at individual manufacturing plants and commercial developments. Pier 51 and the new Massachusetts Technology Center at Logan Airport offer rental space for the full range of FTZ activity. There is also space located in New Bedford.

For further information, contact:

Massport Development Office
99 High Street
Boston, Massachusetts 02110
(617) 482-2930 Ext. 412

After November 1984:

10 Park Plaza
Boston, Massachusetts 02116
(617) 973-7200

MASSPORT SMALL BUSINESS EXPORT PROGRAM (SBEP)

Q. What is the Small Business Export Program?

A. The Massachusetts Port Authority (Massport), in conjunction with the Smaller Business Association of New England, operates a unique international marketing service for small business manufacturers.

This service, called the Small Business Export Program (SBEP), provides, without charge, a selected number of small New England manufacturers with individual assistance in the following areas:

1. Market analysis to determine the strength and direction of a company's export potential.
2. Training and advice on export pricing, shipping, documentation, financing, business practices, and international regulations.
3. Identification of and contact with potential foreign customers and distributors for a company's products.
4. Arranging and sponsoring foreign trade missions for SBEP participants, including a minimum of 10 individual, pre-screened sales meetings, for each participating firm.
5. Interest-free loans for firms participating in trade missions to provide funds for travel, per diem and business expenses.

Q. Who is eligible for SBEP?

A. Any small, New England manufacturer may apply, but admission is highly selective.

The criteria for acceptance by SBEP include the export potential of a firm's products, its financial history and ability to meet increased production demands, and the ability and desire of a firm's management to develop and sustain overseas markets.

A composite portrait of past participants produces a profile of a manufacturing firm which has been in business for over twenty years with 50 to 60 employees, and annual sales of less than \$2 million where exports account for less than four percent of total sales.

For further information, contact:

Massport Foreign Trade Unit
99 High Street
Boston, Massachusetts 02110
(617) 482-2930 Ext. 243



Department of Commerce Programs



SITE INVENTORY TRACKING EXCHANGE (S.I.T.E.)

Q. What is the S.I.T.E. program?

A. S.I.T.E. is a state program that serves as a liaison between owners, brokers, realtors, local economic development agencies and clients. It maintains a computerized listing of available industrial land and building space throughout the Commonwealth with a comprehensive printout of site attributes.

Q. What is the purpose of the S.I.T.E. program?

A. The purpose of the S.I.T.E. program is to match the physical requirements of a client company with suitable land or buildings available. In-state and out-of-state firms seeking to start-up, locate, or expand in Massachusetts may request this free service at any time.

Q. How does the economic agency/realtor/owner participate in the program? How does a company participate?

A. He or she may submit details about the industrial site or building on the appropriate S.I.T.E. questionnaire form and may include related materials (e.g., pictures, maps, brochures, etc.) as stated in the S.I.T.E. booklet. A client company contacts S.I.T.E. giving its requirements for a land site or building space.

Q. Are there minimum listing requirements?

A. Yes. Minimum listing requirements are defined as follows:

A. Land - minimum 5 acres, or less in an urban area.

B. Building Space - minimum 10,000 sq. ft., or less in an urban area.

Q. Is there any cost involved?

A. No. Owners or realtors can submit listings and have them entered into the system at no cost. Firms seeking land or building space receive information at no cost.

For further information, contact:

S.I.T.E. Program
Massachusetts Department of Commerce
100 Cambridge Street
Boston, Massachusetts 02202
(617) 727-3215

THE CALL-ONE PROGRAM

Q. What is the Call-One Program?

A. Call-One is a direct toll-free hot line to the Department of Commerce headquarters in Boston that cuts through "red tape" and gets quick answers for businesses to questions regarding state related programs and regulations.

Q. What is the purpose of the Program?

A. The Department established the Call-One service in an effort to save time for the businessperson by eliminating the necessity of making multiple calls to various state agencies to obtain assistance with business problems.

Q. How does the Program work?

A. Most questions receive an immediate answer. Complex inquiries which may require research or consultation with other agencies are assigned to a staff member who works with the individual or firm until satisfaction is rendered.

Q. What subjects are covered?

A. Any subject that has to do with one's business and the state government including information on: licenses, bid procedures, employment compensation, taxes, manpower training programs, environmental and other regulations, economic data, site location assistance, new business development and other information.

For further information, contact:

Call-One Program
Massachusetts Department of Commerce
100 Cambridge Street
Boston, Massachusetts 02202
In-State: 1-800-632-8181
(617) 727-3217

STATE OFFICE OF MINORITY BUSINESS ASSISTANCE (SOMBA)

Q. What is the State Office of Minority Business Assistance (SOMBA)?

A. SOMBA is the agency of the Commonwealth of Massachusetts that is responsible for increasing access to public construction work for minority and women-owned business enterprise, and for other related activities, including information and referral, education and training, and advocacy. In addition, SOMBA reviews companies to determine whether or not they are certifiable as minority or women owned and controlled businesses, and publishes a directory listing verified firms.

Q. How does a firm become listed in the SOMBA Minority and Women Business Directory?

A. A firm may apply for certification if it has been actively in business for six months, is not a broker, middleman, or manufacturer's representative, and is at least 51% owned and controlled by defined minorities or women. Applicants for certification should request SOMBA certification material, and are encouraged to discuss the steps that need to be taken for certification in more detail with a SOMBA staff person.

Q. How does certification assist the minority or woman business owner?

A. The SOMBA Directory, together with other of SOMBA's services represent important marketing aids for the minority or woman business owner. Most public agencies, and many private companies now have business affirmative action programs which require them to seek out minority and women business enterprise to meet their contracting goals. The SOMBA Directory is circulated widely to purchasing agents, awarding authorities and cities and towns, and is often the first resource that buyers use to identify eligible companies. Education and training programs are designed to support SOMBA's procurement activities with workshops and seminars to identify public markets and procurement procedures.

Q. How successful have SOMBA programs been in assisting minority and women business enterprise?

A. In recent years, state agencies and cities and towns have contracted with minority and women business enterprise through set asides and contract participation goals that range between 2% and 30%. The dollar volume of the resulting contracts continues to rise each year, and is anticipated to exceed \$200 million in the coming year.

For more information, please contact:

SOMBA
100 Cambridge Street, 13th floor
Boston, Massachusetts 02202
(617) 727-8692

MASSACHUSETTS FILM BUREAU

Q. What is the Massachusetts Film Bureau?

A. The Film Bureau is the unit within the Massachusetts Department of Commerce which encourages motion picture and tv production in the Commonwealth by:

1. Attracting major studios and independent production companies to film on location in Massachusetts.
2. Facilitating production itself by providing information, contacts, logistical support, and a variety of direct services, problem solving and red tape cutting.
3. Working to support and develop our substantial Massachusetts based production industry.
4. Maintaining the positive and hospitable production climate which has made Massachusetts one of the most successful and popular production locations, by educating the public about the economic and other contributions that this production activity provides.

Q. Why does the Commonwealth promote film and video production?

A. The average feature film costs more than \$11-million to produce. Production budgets may run between \$50,000-\$80,000 a day, and roughly 30%-40% of this is generally left in the host location as wages and supplies. Feature films and other film and video projects contribute millions of dollars each year to the economy of the Commonwealth, creating business and employment opportunities and expanding the tax base, so that, ultimately, everyone in Massachusetts benefits. The reputation and image of Massachusetts is improved in the public eye when we are seen in theatres and on tv screens around the world.

Q. Is assistance limited to major Hollywood studios or to feature film production?

A. Absolutely not. The bureau assists a variety of projects including features for theatres and television, mini series, tv series, documentaries, informational films, music videos, interactive discs, etc. At any given time, half of the projects assisted by the bureau may be TV commercials. Half of the projects receiving assistance at any time are generally from Massachusetts based companies. The bureau also assists foreign production companies.

Q. What services does the Film Bureau provide?

A. Film Bureau services include:

1. An aggressive effort to market the state as a location by researching projects being developed for production and

contacting principals early with information about shooting in Massachusetts and on the cooperation they can expect.

2. Researching information on Massachusetts for screenwriters and production companies.

3. Location scouting. Scripts are dissected and potential locations for scenes are photographed. Shots are sent to producers, art directors, etc., who are escorted on tours of these locations should the initial contact stimulate interest in Massachusetts.

4. Providing information on local production-related talent and services which could be employed or provide assistance.

5. Liaison and advocacy on behalf of the production company in obtaining shooting clearances, union negotiations, and meetings with both public officials and private resources.

6. Logistical support and coordination, such as assistance with permits when necessary, police details, cutting red tape and last-minute troubleshooting.

7. Working to assure a satisfactory experience for the local community as well as for the production company, so that future productions will also be welcome.

Q. Is there any charge for these services?

A. No, all services are free.

Q. Are there any film bureau publications available?

A. The bureau produces two major publications:

1. *The Massachusetts Film Bureau Production Manual* — a handsome volume listing and describing more than 600 Massachusetts based companies and individuals providing production related services.

2. *The Massachusetts Location Photo Booklet* — an award-winning, 64-page, full color collection of photos illustrating the tremendous beauty, character authenticity and diversity of Massachusetts filming locations.

For further information, please contact:

Massachusetts Film Bureau
100 Cambridge Street, 13th Floor
Boston, Massachusetts 02202
(617) 727-3330

SMALL BUSINESS ASSISTANCE DIVISION (SBAD)

Q. What is the Small Business Assistance Division?

A. As part of the Massachusetts Department of Commerce, the Small Business Assistance Division provides technical assistance and offers programs to support small business development in the Commonwealth. The Division also serves as an advocate within state government for small business concerns.

Q. What kind of assistance is available?

A. The SBAD provides basic information to entrepreneurs interested in:

- Starting a new business in Massachusetts,
- Developing a business plan,
- Doing business with the state,
- Identifying sources of financing, management, marketing, or other business assistance.

Technical assistance provided by the SBAD often includes referral to another state or federal agency that can address the specific needs of your business. Intensive counseling and educational opportunities are available from the Massachusetts Small Business Development Centers. SBAD staff can direct you to the appropriate regional or specialty center.

The Division also provides information about specific programs or subjects of interest to small businesses, such as:

- **SBIR** - Through the Small Business Innovation Research (SBIR) program, federal agencies award R&D funds to small, technology-based businesses for projects with potential commercial application. SBAD has details about this source of early stage R&D financing.
- **Exporting** - SBAD will advise small firms interested in exporting of the services available to assist them. SBAD will also direct firms to the appropriate public or private agency.

Q. How can small businesses gain access to public contracts?

A. SBAD administers and monitors the Small Business Purchasing Program. Through this Program, 5% of state contracts are "set aside" for small businesses. These contracts apply to the purchase of both goods and services and are awarded competitively. You must be "certified" as an eligible bidder to participate in the Small Business Purchasing Program. Contact the Small Business Assistance Division for an application.

For additional information contact:

Small Business Assistance Division
Massachusetts Department of Commerce
100 Cambridge St.
Boston, MA 02202
(617) 727-4005

MASSACHUSETTS SMALL BUSINESS PURCHASING PROGRAM

Q. What is the purpose of this program?

A. The purpose of this program is to promote full participation of citizens and businesses in the purchasing process of the Commonwealth. It is to stimulate small business development by reducing some of the major hindrances to small business participation in State purchasing, and by promoting competition in the procurement process of state agencies.

Q. How is this to be accomplished?

A. Through the Small Business Purchasing Program at least five percent of state purchases are "set aside" for small businesses. These "set aside" contracts are awarded competitively and apply to the purchase of both goods and services. In order to be eligible to bid on these "set aside" contracts a small business must be "certified" by the Small Business Purchasing Program.

Q. How can you find out which contracts are set aside?

A. A weekly publication, *The Goods and Services Bulletin*, contains information for businesses interested in bidding on state contracts.

The Goods and Services Bulletin lists state contract opportunities for goods over \$500 as well as services such as data processing, printing, or the social and rehabilitation services of human service agencies. Contracts set aside through the Small Business Purchasing Program are clearly noted. Subscriptions are available for \$45 per year through the Massachusetts Regulations Division of the Office of the Secretary of State. Copies for review are available at public libraries.

Q. How long does it take to receive payment from the State?

A. The Commonwealth recognizes that many small businesses do not compete for state contracts because they are concerned about being paid in a timely way. Participating agencies have therefore been given the responsibility, authority and capability of assuring prompt payment for purchases made through this Program. This means that vendors will receive payment within thirty days of agency receipt of properly completed invoice.

Q. What are the criteria for certification as an eligible bidder?

- A.**
1. The small business must be independently owned and operated.
 2. Have its principal place of business in Massachusetts.
 3. It must not be dominant in its field of operation and is not a corporation which is a member of an affiliated group.
 4. Depending on your business classification the following requirements must be met:
 - a. A manufacturing firm must employ less than 50 persons and have less than \$6 million in total gross receipts for the preceding three fiscal years.
 - b. A wholesale business must employ less than 20 persons and have less than \$6 million in total gross receipts for the preceding three fiscal years.
 - c. If the business is in the transportation, communication, electric, gas, or sanitary industries it must have less than 50 employees and less than \$3 million in total gross receipts for the three fiscal years.
 - d. A retail service or other type of business must employ less than 20 persons and have less than \$1.5 million in gross receipts for the previous three fiscal years.

Q. How do you apply for certification?

A. You can obtain certification forms and further information from the Small Business Assistance Division.

Please contact:

Small Business Assistance Division
Massachusetts Department of Commerce
100 Cambridge Street
Boston, Massachusetts 02202
(617) 727-4005

MASSACHUSETTS SMALL BUSINESS DEVELOPMENT CENTER (MSBDC)

Q. What is the Massachusetts Small Business Development Center?

A. The Massachusetts Small Business Development Center (MSBDC) is part of a nationwide program established to provide high-quality management/technical assistance and training to small business owners and prospective entrepreneurs. Funded by the U.S. Small Business Administration and the Massachusetts Department of Commerce, combined with the contributions of participating universities, the MSBDC utilizes a professional staff of experienced small business counselors augmented by university faculty and private consultants to provide its services to the Commonwealth's small business community.

Q. What kind of technical assistance is available?

A. Free counseling is offered on a one-to-one basis with individualized services tailored to the specialized needs of the client. MSBDC can assist you with problems involving: Start-up, Marketing, Financing, Record Keeping, Personnel, Production Control, Business Plan Preparation, Cashflow/Working Capital, Feasibility Analysis, and General Management.

Q. What educational opportunities are provided?

A. The MSBDC conducts seminars, workshops, courses and conferences addressing a wide range of business concerns. Training focuses on commonly encountered problems as well as specialty topics. Training is localized, with each regional MSBDC office offering a wide selection of training opportunities. A nominal fee is charged for training.

Q. Where are the MSBDC's located?

A. The University of Massachusetts/Amherst, School of Management, is the lead institution of a consortium of universities and colleges that house an SBDC. These are the University of Lowell, Boston College, Southeastern Massachusetts University, Clark University, Salem State College and Roxbury Community College. Each Regional Center provides the basic SBDC services of one-to-one management/technical assistance and sponsors educational programs for small business in a given geographical region. In addition three Specialty Centers offer unique services.

The Capital Formation Service assists existing and prospective small business owners in securing financing from non-conventional funding sources. This service is geared to the larger and more complex small business financing strategy.

The Technology Productivity and Innovation Center (TPIC) provides assistance to those technology-based small businesses which have specific needs in new product development. TPIC services include product feasibility determination, management and marketing assistance, and identification of private sector and academic engineering capabilities and technology transfer opportunities. Worcester Polytechnic Institute is a partner with Clark University in the TPIC.

The Minority Business Training and Resource Center (MBTRC), located at Roxbury Community College, offers a full range of educational and training programs on basic business subjects as well as those areas of vital concern to the minority business community. Additionally, MBTRC acts as a focal point for information on all programs and services available to minority entrepreneurs and assists in assessing business problems and needs.

For further information and assistance, contact:

Statewide Toll-Free Access
Massachusetts Department of Commerce
100 Cambridge Street
Boston, MA 02202
1-(800) 632-8181

Small Business Assistance Division
Massachusetts Department of Commerce
100 Cambridge Street
Boston, Massachusetts 02202
(617) 727-4005

OFFICE OF FINANCIAL DEVELOPMENT

Q. What is the Office of Financial Development?

A. The Office of Financial Development was established to assist businesses and individuals attempting to utilize the many federal, state and local finance programs established to help businesses expand.

Q. How does the Office of Financial Development operate?

A. The Office of Financial Development is a free service of the Department of Commerce. Businesses and individuals seeking assistance in their capital formation needs should contact the number below.

Q. Are there any publications available to assist businesses?

A. Yes, two publications:
Massachusetts Financial Resources Directory
Massachusetts Venture Capital Directory

Q. Does this Office sponsor any special events?

A. Yes, twice annually this office sponsors the Massachusetts Venture Capital Fair, an opportunity for emerging firms to present themselves to the venture capital community.

For more information, please contact:

The Office of Financial Development
Massachusetts Department of Commerce and
Development
100 Cambridge Street
Boston, MA 02202
Tel. (617) 727-2932

URBAN HERITAGE STATE PARK PROGRAM

Q. What is the Massachusetts Urban Heritage State Park Program?

A. The Massachusetts Heritage State Park Program is a unique state and local partnership effort which seeks to meet three major urban concerns; environmental enhancement, historic preservation and economic revitalization. In 1976 under the first Dukakis administration, the Massachusetts legislature launched a program which encourages economic revitalization in the Commonwealth's mature industrial cities by utilizing the positive forces in the cities, including a rich historic fabric of cultural and architectural fabric, to develop tourism and spur private development.

Q. Where will the Heritage State Parks be located?

A. The program is bringing new and improved urban park spaces to Lowell, Fall River, Lawrence, Lynn, Gardner, Springfield, Holyoke, North Adams, Blackstone River Valley, Dorchester Lower Mills, Roxbury and Turners Falls.

Q. How will the Heritage State Park system impact economic development in the industrial city?

A. In addition to preserving and interpreting the unique industrial heritage of the Commonwealth, the development of the Heritage State Parks has already spurred direct economic benefits in several cities. Reinvestment and restoration are evident in Lowell which is host to a new Hilton Hotel and the Wang Training Center along the Pawtucket Canal, in Holyoke where store fronts along the Main Street are being rehabilitated, in Lynn where the city's first major condominium development on the waterfront is being developed on the harbor at the Heritage Park site, in Fall River where the park development has opened up a new section of waterfront for the city and in Lawrence where, among other improvements, market rate housing is being developed adjacent to the Heritage Park site. The Heritage State Park program, as a catalyst for economic development, is bringing new attention to the Commonwealth's mature industrial cities, focusing on them as places of renewal and change, where it is advantageous to invest, relocate, expand or start a new business.

For more information, please contact:

Massachusetts Department of Commerce
and Development
100 Cambridge Street
Boston, MA 02202
Tel. (617) 727-3040

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Commonwealth Of Massachusetts

Michael S. Dukakis, Governor

Evelyn F. Murphy, Secretary of Economic Affairs



The spirit of Massachusetts
is the spirit of America.

